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(71) Applicant and  
(72) Inventor: **CLARK, James, R.** [US/US]; 1470 W. 116 Avenue #22, Westminster, CO 80234 (US).  
(74) Agents: **PEDERSEN, Ken, J.** et al.; Pedersen & Company, PLLC, 1410 North 28th Street, Boise, ID 83703 (US).

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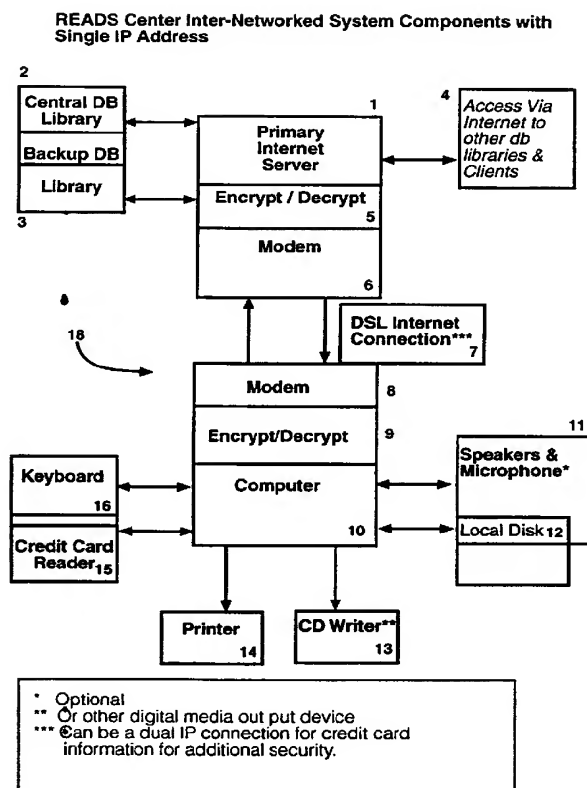
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[Continued on next page]

(54) Title: RETAIL ENTERTAINMENT/APPLICATIONS DISTRIBUTION SYSTEM



(57) Abstract: The present invention is a device that provides point-of-sale ("POS") manufacturing (such as a kiosk in a retail outlet) for outputting information obtained through the Internet or other transmission mediums utilizing the Copy-protected Internet Distribution System ("KIDS") or other similar secured distribution systems, and providing that information in any number of compact disc (CD) formats, or other types of digital or analog storage devices. The instant Retail Entertainment/Applications Distribution System ("READS") device has the capability, in real-time, to give the customer access, usually via the Internet, to libraries of information or products stored in digital form. These accesses are serviced by remote or local computers, which act as servers of video, audio, textual, or any other possible representation form of data or computer software.



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**Retail Entertainment/Applications Distribution System****DESCRIPTION****BACKGROUND OF THE INVENTION****Field of the Invention**

The present invention is a device that provides point-of-sale ("POS") manufacturing (such as a kiosk in a retail outlet) for outputting information obtained through the Internet or other transmission mediums utilizing the Copy-protected Internet Distribution System ("KIDS") (described in the co-pending \_\_\_\_\_ Patent Application \_\_\_\_\_, and incorporated herein by reference ), or other similar secured distribution systems, and providing that information in any number of compact disc (CD) formats, or other types of digital or analog storage devices.

The instant Retail Entertainment/Applications Distribution System (which I refer to as "READS") device has the capability, in real-time, to give the customer access, usually via the Internet, to libraries of information or products stored in digital form. These accesses are serviced by remote or local computers, which act as servers of video, audio, textual, or any other possible representation form of data or computer software. The novel READS device also has the capability to select information or products to be purchased, to accept payment from credit or debit cards or direct electronic transfers from checking accounts in a secured manner utilizing the KIDS technology or other secured system, accessing and downloading (as needed) the digital media or products thus procured and writing it locally on a selected digital storage device such as a CD or other digital or analog medium, and then providing it to the customer, all in one seamless, continuous transaction. The READS device provides an innovative secure system for marketing numerous products that can be stored in digital form, in a manner that eliminates typical inventories and makes available to the retail customer the very latest in digital media in

the most time effective manner compared to normal physical distribution procedures currently in use. The READS device also eliminates overstocking of digital media at retail outlets and the associated inefficiencies of outdated products that must either be returned to the manufacturer or written off as a loss.

### SUMMARY OF THE INVENTION

The instant READS system provides a user with a versatile, integrated, one-stop media distribution center. The READS Center device comprises several parts, including: A programmable computer or specialized processor; a storage device or devices such as a hard disc drive; a modem or other communication interface device; a CD burner or other output device writer; a keyboard; a mouse; a color monitor; speakers or earphones; a microphone; and one or more printers. The READS Center is designed up to utilize KIDS or similar secure technology for utilizing the Internet or other communication medium. For the purpose of simplifying this discussion, the use of the Internet is assumed. However, the READS technology can be used with any communication medium and nothing in this discussion shall be construed to limit its use to the Internet, although that is the primary place it is anticipated to be used. For the purposes of this discussion, the use of the KIDS technology is also assumed, although the READS device can also be used with other technology that provides for adequately secure digital communication.

The READS Center is designed to provide a stand-alone, input/output portal for interface with an end-user for the ordering of, payment for, distribution and delivery of digital media of any kind, securely in a real-time environment. The only interface requirements are for a conventional power source (i.e. 110 VAC) and access to a digital communication device, such as a DSL, a network adaptor, a modem, ethernet, RF, cellular or other Internet connection.

The intended use of this invention occurs through location in READS Centers in a variety of retail outlets, such as convenience stores, music stores, computer stores, grocery stores, department stores, gasoline stations or separate kiosk type booths at shopping malls. Customers would walk up to a READS Center and select from a menu, which would provide products of interest to browse through and evaluate for the purpose of making a buying decision. For some

products, such as music, a sampling of the product may be allowed depending on the arrangements with the copyright owner of the product. Once the decision to purchase is made, the customer selects from a variety of payment options (credit/debit cards, direct electronic debit from checking accounts, etc) and output device options for portable digital media storage. The digital media then purchased is written to the selected digital media storage device and physically provided to the customer. The customer is also given the opportunity to create an individualized label that is printed out to attach to the portable digital media storage device.

In addition to normal Compact Discs, other portable digital media storage devices may be used, such as DVD's, mini CDs, shaped mini CDs such as those used for electronic business cards, ZIP discs, memory sticks, or other similar devices that become available in the future that provide the same or similar function.

In the case of music, this invention will allow the customer to review and select a variety of songs from different artists and then create a customized CD with just those selected songs on it. The payment for the CD will cover all the fees associated with the copyright for each song. The customer will receive the CD immediately (within approximately 5 minutes or less of order execution) and the retail outlet will receive an appropriate fee for retailing the customized CD without any specialized inventory other than the READS Center and the blank CDs (or other media) upon which the songs are ultimately written.

The invention also allows the customer to pre-order a product from any Internet connected personal computer or PDA by accessing the Central web site, previewing songs or other media and ordering the selections. A purchase code is thus obtained that can be taken to the nearest READS Center and entered along with the appropriate billing information and the purchased media immediately retrieved. This remote approach can also be accomplished using a registered SIM Player (U.S. Provisional Patent Application #60/203981, herein incorporated by reference) to browse through music selections and remotely order a customized music CD that can then be written and picked up pre-paid at any customer selected READS Center. These remote features give customers the added convenience of browsing products and purchasing from home anytime during the day or night and then spending a minimal amount of time picking up the product when the retail outlet is open.

### BRIEF DESCRIPTION OF THE DRAWINGS

Figure 1 is a schematic diagram of the inter-networked system components of the configuration of the READS system.

Figure 2 is a flowchart of the READS Center purchasing process using only the stand alone Center located at a typical retail outlet.

Figure 3 shows a similar flowchart that occurs when the customer orders a digital media purchase remotely using a registered SIM Player (U.S. Provisional Patent Application #60/203981, herein incorporated by reference) and then goes to a READS Center in a retail outlet to pick up the purchased product.

### DETAILED DESCRIPTION OF THE INVENTION

Figure 1 is a schematic diagram of the inter-networked system components of the configuration of the READS system. The typical primary internet server 1 functions as a database back-end, with storage and retrieval capability to and from multiple databases or libraries. Locally, the server of this embodiment stores on central 2 and backup 3 database/libraries, which will serve as one example amongst multiple other possible embodiments of this invention. Remotely, server 1 can access other databases, libraries or client devices 4 across the Internet. Through an encryption/decryption translator 5, the server 1 provides services to a typical remotely located READS Center 18. A modem is installed at each end 6, 8 of the data link, which can be a DSL type connection 7, as identified for this embodiment, or other suitable telecommunications carrier means, such as a dual IP connection. A similar encryption/decryption translator 9 is located within the READS Center 18, which connects to the READS Center internal computer 10. Software running within the READS Center computer 10 will operate in such a way as to facilitate all necessary customer transactions. The I/O devices used within the READS Center 18 include an optional speaker and microphone 11, a local read/write disk or disks 12, a CD burner/writer 13, a printer 14, a credit card reader 15, and a keyboard 16. Other I/O and disk capabilities may be utilized in this invention outside of those identified for this embodiment.

Figure 2 is a flowchart of the READS Center purchasing process using only the stand alone Center located at a typical retail outlet. When a customer approaches the READS Center, they log-on and register their user name 30. They then browse through the available products and select a single item by using a menu driven interface 31. This selection is then written to a selection list 32. If the customer wants to browse some more, they are returned to step 31, and asked to make a new selection. The new selection is added to the list of selections 32. Otherwise the decision 38 to continue without making any further selections is made and payment by credit card or other payment means is authorized 33. If payment validation fails, then alternate payment information is requested 35, otherwise the transaction is complete and the purchased selections are written on Compact Disc 36, or other suitable media. The new Compact Disc is then prepared with a label and jacket/holder and made available for customer retrieval 37.

Figure 3 shows a similar flowchart that occurs when the customer orders a digital media purchase remotely using a registered SIM Player (U.S. Provisional Patent Application #60/203981, herein incorporated by reference). The user then travels to a READS Center in a retail outlet to pick up the purchased product. In the operation of a SIM player, one of the features available is the ability to order selections that can be later picked up at a READS Center. To accomplish this, a user logs-on to their personally registered SIM player 40. They then browse through selections and select a single item by using a menu driven interface 41. The new selection is added to the list of selections 42. If they want to browse some more, they are returned to step 41, otherwise the decision 47 to continue is made. The user then selects the option of retrieving the ordered media from a READS Center 43, where a password entry initiates the writing of the previously selected music or other audio material onto Compact Disc 36, or other suitable media. The new Compact Disc is then prepared with a label and jacket/holder and made available for customer retrieval.

The benefits that will be attained through the use of the present invention are manifold. For the end customer, this system provides legal access control to copyrighted music, for a low cost and also it gives great flexibility in content selection. For the recording industry, this invention provides a direct low cost Internet distribution capability that protects copyrighted music and derives a steady income stream. It completely prevents digital copying. It also

provides the capability to introduce and promote new artists with small followings with minimal cost.

For the service providing company, multiple income streams can be realized through patent licensing fees, fees per installation and per title, advertising fees on the world-wide-web site, and Media Player manufacturing profits. The service provider will also gain an ability to promote its own and new artists in a cost-effective manner.

Although this invention has been described above with reference to particular means, materials and embodiments, it is to be understood that the invention is not limited to these disclosed particulars, but extends instead to all equivalents within the scope of the following claims.

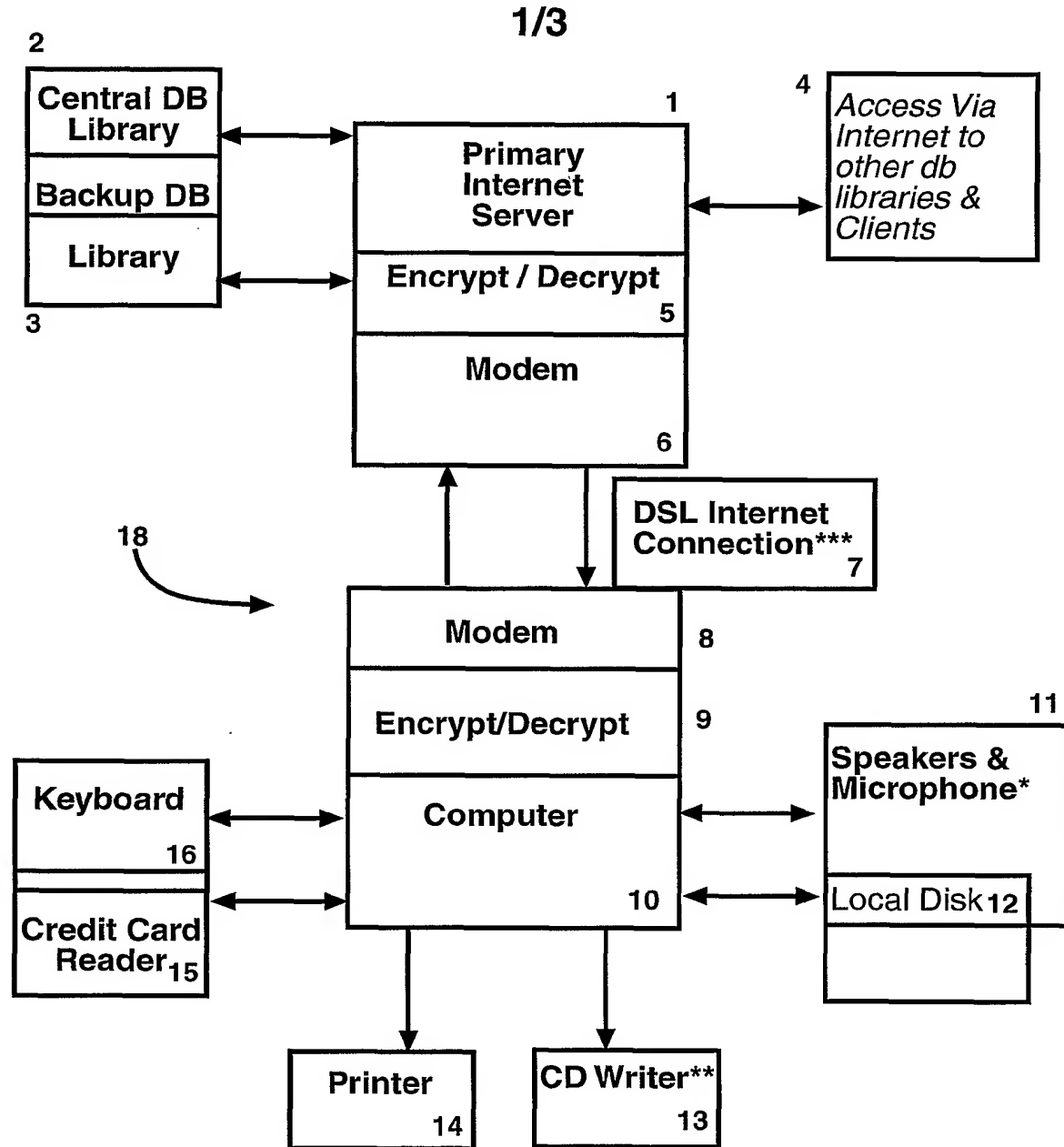


CLAIMS

1. A retail information products distribution system at a point-of-sale, comprising:
  - a local computer with a storage device, network communication interface, output writer and input device;
  - said computer also having a local payment validation device;
  - said computer being capable of accessing data across a network; and,
  - a data library accessible across said network;

so that data from said library may be accessed by said computer via said input device and produced locally by said output writer upon approval by said local payment validation device.
2. The information products distribution system of Claim 1 wherein said network communication interface is an Internet interface.
3. The information products distribution system of Claim 1 wherein said interface is a private network interface.
4. The information products distribution system of Claim 1 wherein said output writer is a CD burner.
5. The information products distribution system of Claim 1 wherein said output writer is a cassette recorder.
6. The information products distribution system of Claim 1 wherein said local payment validation device is a credit card reader.

**Figure 1: READS Center Inter-Networked System Components with Single IP Address**



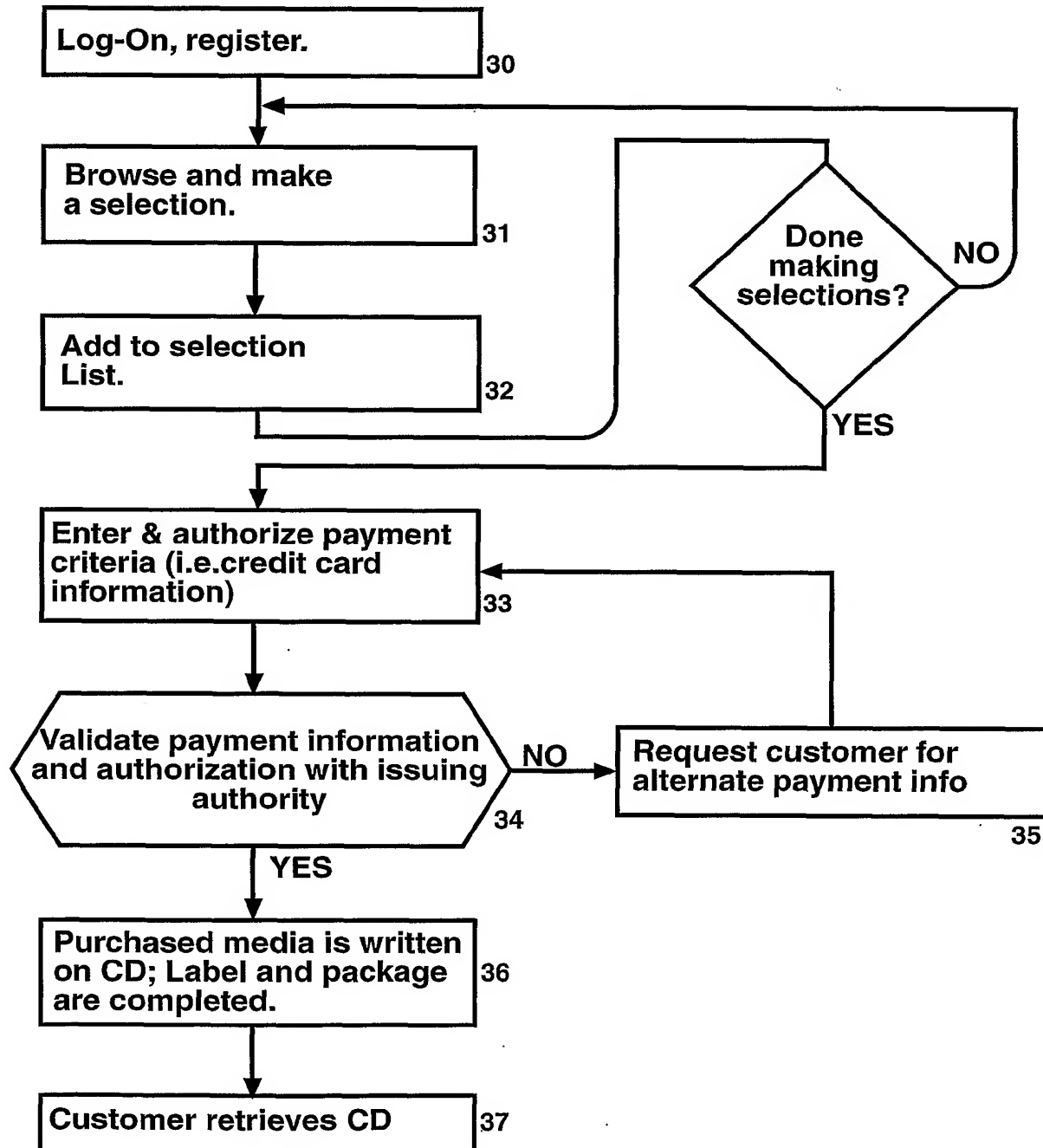
\* Optional

\*\* Or other digital media out put device

\*\*\* Can be a dual IP connection for credit card information for additional security.

**Figure 2: READS Functional Flow for Ordering  
from Retail Establishment**

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**Figure 3: READS Functional Flow for Ordering  
Remotely Using SIM Player or Similar Device**

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